



Tax Credit Expands Home Buyer, Economic Opportunities

Normal View

November 17, 2009 - The National Association of Home Builders (NAHB) is spreading the word to consumers about an important new law that extends and expands an attractive tax incentive for potential home buyers. The Worker, Homeownership, and Business Assistance Act of 2009, signed into law by President Obama on Nov. 6, extends the deadline for the first-time home buyer tax credit and gives a larger group of home buyers the chance to take advantage of this government program.

"The tax credit has already proven to be an effective means of boosting economic activity," said NAHB Chairman Joe Robson, a home builder from Tulsa, Okla. "We hope that the government's action to enhance it will have the intended additional stimulative effect that will help get housing and the economy back on solid ground."

The new law extends the \$8,000 first-time home buyer credit through April 30, 2010, giving buyers who have signed a sales contract by that deadline until June 30 to close their deal. A new credit of up to \$6,500 was created for repeat home buyers who buy a principal residence if they have been residing in the home they currently own (or previously owned) for five consecutive years out of the eight years preceding the purchase of the new home.

"It's not just a first-time buyer tax credit anymore," Robson said. "Move-up buyers, move-down buyers, and others who have previously owned a home can now qualify as well. In fact, close to 70 percent of all potential home buyers should now qualify for some form of the credit."

Income limits for eligible buyers have also been increased to allow more consumers to qualify, particularly those in markets with a higher cost of living. Now single taxpayers with incomes up to \$125,000 and married couples earning up to \$225,000 may be eligible. Partial credits are available to home buyers who earn up to \$20,000 more than the limits.

A leading source of consumer information on the tax credit is NAHB's Web site at www.federalhousingtaxcredit.com, which saw a huge increase in visits in the days after the new law was signed. It provides basic information about the first-time and repeat buyer credits, detailed question and answer sections, and links to additional home-buying resources for consumers.

"The [federalhousingtaxcredit.com](http://www.federalhousingtaxcredit.com) Web site had more than 70,000 visits on the Monday after the President enacted the law," said Robson. "Since the site was established in mid-2008, there have been more than 6 million visits by people seeking information about the home buyer tax credits. That tells you how hungry consumers are for easy-to-understand information on this great opportunity that has been opened to them."

NAHB estimates that the home buyer tax credit will create 211,000 jobs and generate 180,000 additional home sales in the coming year. It is also expected to generate \$9.6 billion in wage income and \$6.9 billion in federal, state and local taxes.